

CONTRACT FOR SERVICES

THIS CONTRACT IS SUBJECT TO ARBITRATION PURSUANT TO THE MONTANA UNIFORM ARBITRATION ACT

This Contract (**CCD-01-005-10-PRC-revised**) is made and entered into by and between the Montana Department of Corrections, Community Corrections Division, (hereinafter referred to as the "Department") whose address and phone number is: 1539 11th Avenue, Helena, Montana 59620-1301, and (406) 444-3930 and Alternatives Inc. (hereinafter referred to as ("CONTRACTOR")), whose address, telephone number and federal tax I.D. number are: 3109 First Avenue North, Billings, Montana 59103-0657, (406) 259-9695, and 81-03822745.

This Contract (CCD-01-005-10-PRC-revised) replaces Contract # CCD-01-005-10-PRC in its entirety.

Recitals

WHEREAS, the CONTRACTOR is a non-profit corporation organized under the laws of Montana for the purpose of providing comprehensive community services to adult offenders (hereinafter referred to as "offenders") who are committed via a court order to the DEPARTMENT; and

WHEREAS, the CONTRACTOR has a Board of Directors empowered to employ persons to care for said offenders within the CONTRACTOR'S Facility; and

WHEREAS, the CONTRACTOR has obtained funding for refinancing its existing debt and for construction of a prerelease center through a loan from the Montana Health Facility Authority (the "MHFA") pursuant to Title 90, Chapter 7 Montana Code Annotated, which authorizes the MHFA to approve this contract and which authorized the MHFA to issue its Prerelease Center Revenue Bonds (Alternatives, Inc. Project, Series 1997, hereinafter referred to as "Bonds") which provided funds with which to make the loan to the CONTRACTOR; and

WHEREAS, the purpose of this Contract is to set forth the terms of the Contract and the parties' respective rights, duties, and obligations. Now therefore;

THE DEPARTMENT AND THE CONTRACTOR, AS PARTIES TO THIS CONTRACT AND IN CONSIDERATION OF THE MUTUAL PROMISES CONTAINED HEREIN, AGREE AS FOLLOWS:

1. DUTIES/RESPONSIBILITIES OF THE CONTRACTOR

The CONTRACTOR agrees to comply with DEPARTMENT policies, applicable to the CONTRACTOR'S program, and will provide residential and non-residential prerelease services to offenders under the control of the DEPARTMENT. These services are to assist offenders in making the transition from incarceration to a free society in a successful, crime-free manner. The CONTRACTOR and the DEPARTMENT agree to the following conditions:

A. No offender will be transferred to the CONTRACTOR'S Facility until its authorized representative has had an opportunity to examine pertinent file material and agreed to accept the offender on a specific date. The CONTRACTOR'S local screening committee shall include, at a minimum, a representative from the CONTRACTOR'S program, a member of the CONTRACTOR'S Board of Director's/citizen, representatives from local law enforcement, and a Probation and Parole (P&P) Officer. The file material for screening shall include the following information, when applicable:

1. Judgment and Commitment papers;
2. Initial Parole Board Report and Disposition;
3. Probation/Parole violation Reports;
4. Current medical release from the Montana State Prison (MSP) Infirmary and Regional/Private prison Infirmary;
5. FBI rap sheet;
6. Pre-sentence Investigation Report;
7. Psychological evaluation;
8. Basic information sheet;
9. Actions taken by Sentence Review Board;
10. Initial classification summary and report;
11. Summary of unit performance from MSP, Treasure State Correctional Training Center (TSCTC), and Regional/Private Prison;
12. Medical and treatment records will be made available upon request;
13. Montana Women's Prison (MWP) initial classification, summary, and report for female offenders;
14. Summary of unit performance from MWP for female offenders; and
15. Individual program plans for female offenders.

B. The CONTRACTOR agrees that file materials shall:

1. Be kept on-site in a secure area which has 24-hour staff coverage;
2. Include documentation of offender eligibility;

3. Not be copied. However, in the event that a community agency providing treatment to an offender requires access to that offender's files, the copying and distribution of those files will be permitted given appropriate release forms and signatures;
 4. Not be shown to offenders;
 5. Be purged of all materials (excepting medical, treatment, and legal) upon the date of the offender's release and retained by the CONTRACTOR for a period of five years from the date of the offenders release. Materials generated by the CONTRACTOR are excluded.
 6. Be confidential via written policy; and
 7. Contain a final written case summary of the offender's performance in the prerelease program.
- C. The DEPARTMENT will arrange transportation of each offender to the CONTRACTOR'S Facility. The offender will be responsible for transportation costs. However, the Department may cover such costs if approved in advance by the prerelease Unit Manager.
- D. The CONTRACTOR shall immediately commence an individualized program for each new offender designed to set the limits of the offender's behavior, responsibilities, rights and privileges. Program contracts are subject to review and approval by the DEPARTMENT. The release program shall be developed in conjunction with the DEPARTMENT. Offenders' individualized programs are subject to review by the DEPARTMENT. All Class II violations will be sent to the DEPARTMENT within 5 working days. Quarterly progress reports on each offender will be provided to the DEPARTMENT. The DEPARTMENT reserves the right to request more frequent progress reports on problematic or special needs offenders. Copies of revocation allegations and proceedings will be mailed immediately to the DEPARTMENT as well as to the Prison Hearings Officer by the local Hearings Officer

The CONTRACTOR shall follow acceptable professional practices in implementation of treatment and rehabilitation programming (Moral Reconditioning Therapy (MRT), Chemical Dependency Programming etc.). These practices shall include, but not be limited to staff/counselor to offender ratios, length of programming, and expected outcomes.

- E. The DEPARTMENT agrees to assume custody at reasonable times of any offender whom the CONTRACTOR believes to be unsuitable for continued residency in its Facility. The offender's return to a DEPARTMENT institution will be arranged by the DEPARTMENT. Under no circumstances will any offender accepted by the CONTRACTOR be requested or forced to leave the CONTRACTOR'S Facility until the DEPARTMENT has been notified and arrangements made to take the offender into custody. Reasons for removal of the offender from the CONTRACTOR'S program must subsequently be given in writing.

A written report of violation must be mailed by the local Hearings Officer to the Disciplinary Hearing Officer within 24 hours of the offender's return to MSP or MWP. A written termination report must be provided to the IPPO at MSP or MWP within five (5) working days of the disciplinary hearing.

A P&P Officer II, or their designee, will authorize all offender detention placements. In the event the officer, or designee, cannot be reached within 15 minutes for detention placement authorization, the CONTRACTOR has the authority to use a pre-signed warrant to place the offender in the county operated detention facility. The CONTRACTOR will inform the officer, or designee, of the detention placement by 8:00 a.m. the following business day.

The cost of the offender detention placement at the county detention center will be borne by the offender up until the point of program revocation. The CONTRACTOR will establish procedures to inform offenders of this potential cost. When an offender does not reimburse the CONTRACTOR for detention costs, the DEPARTMENT will reimburse the CONTRACTOR the balance due for detention costs.

During an offender's detention placement, the DEPARTMENT will continue reimbursement to the CONTRACTOR for the offender's per diem rate. Upon determination by the Department's Hearings Officer that the offender will be returned to prison from the County detention center, the CONTRACTOR will discontinue receiving per diem payments for the offender.

If an offender violates his furlough or residency agreement, a hearing will be conducted by the DEPARTMENT. Upon request by the DEPARTMENT, the CONTRACTOR will surrender custody of the offender to a designated officer of the DEPARTMENT or a designated law enforcement official.

- F. The Facility of the CONTRACTOR shall constitute a pleasant, safe and healthful environment. Privacy shall be provided for personal hygiene. Offenders, as specified in the CONTRACTOR'S house policy, should be allowed to keep and display a reasonable number of personal belongings and to add a limited number of personal items to the decoration of their living area. However, the CONTRACTOR may establish written rules to govern appropriateness of such decorative display. All areas and surfaces should be free of undesirable odors. There shall be adequate closet and drawer space for storage of a reasonable amount of personal property, including lockable storage space.

Sleeping arrangements may consist of individual rooms or multiple occupancy but must provide a minimum of twenty-five square feet of unencumbered space per offender. Such sleeping space must be well ventilated.

Offenders shall be encouraged to take responsibility for maintaining their living quarters. Such responsibilities shall be clearly defined in writing and provided at orientation. There shall be documentation that these responsibilities do not constitute full-time, reimbursable work, but an integral part of the therapeutic treatment.

The environment shall contribute to the development of therapeutic relationships by making available:

1. A full range of social activities for all offenders, from two-person conversations to group activities.
2. Furnished areas where offenders can be alone.

3. Furnished areas to ensure privacy for conversations with other offenders, family, friends or therapist.

Furniture, furnishings and equipment shall be available to accommodate all offenders. Furniture and furnishings shall be comfortable and maintained in clean condition and in good repair. All equipment and appliances shall be maintained in good operating order.

The use and location of noise-producing equipment and appliances, such as televisions, radios, and record players shall not interfere with the therapeutic activities of the program or offender privacy.

The environment shall be maintained and equipped to ensure the health and safety of the offender. Physical health and safety features of the environment shall conform to requirements of local and state authorities having jurisdiction. The CONTRACTOR shall provide offenders with reasonable protection against the danger of fire and smoke, injury attributable to the environment, electrical hazards, and the spread of disease and infection. Records of inspections by local, state and federal authorities having jurisdiction shall be maintained by the CONTRACTOR. Records of corrections of violations shall be maintained. Plans shall be maintained identifying the steps and timetable for correction of non-conforming conditions.

There shall be written plans providing for the continued operation of the program in the event of an employee work stoppage.

There shall be written plans that identify the procedures for meeting disasters. The plans and procedures shall include assignments of tasks and responsibilities, instructions for the use of alarm systems, notification of authorities, use of special emergency equipment, and specifications of escape routes and procedures. The emergency plans and procedures shall be posted at highly visible locations and explained to each new offender at orientation. Drills shall be held at least quarterly to evaluate the effectiveness of disaster plans and procedures.

The CONTRACTOR shall abide by and have proof of compliance with all local/state building, zoning, fire, safety and health codes.

- G. The CONTRACTOR shall establish "sign out" and "sign in" which detail where the offender is going, the reason for the trip, where the offender may be reached, the expected time of return and the actual time of return.

Unless special permission is obtained from the DEPARTMENT or has been granted by an offender's furlough agreement, offender travel is restricted to the county in which the Facility is located and/or as specified by DOC Policy 3.1.25 - Prerelease Center Offender Travel. Special permission may be granted by the Prerelease Unit Manager. Offenders may not be absent overnight from the Facility without a written pass from the Facility Director. The pass shall detail the purpose of the overnight absence, the location and telephone number at which the offender will stay, and the time of return to the Facility. Overnight passes of two or more consecutive nights are generally unacceptable. In extraordinary cases, permission may be granted by the Prerelease Unit Manager or the Probation & Parole Bureau Chief. Permission will not be necessary if an offender's furlough agreement calls for such release.

When an offender is unaccounted for and determined to be Absent Without Leave (AWOL), the CONTRACTOR shall follow DOC Policy 3.2.2 - Facility Escapes, as well as the Community Corrections Facility Walkaway Policy and Procedure (CCF-2). The DEPARTMENT has the authority to issue a felony escape warrant upon notification. If there are extenuating circumstances, the reporting staff person will indicate them to the DEPARTMENT'S representative. If the circumstance indicates that there is a possibility of the offender returning on his own, the DEPARTMENT may use its discretionary power and choose not to issue the escape warrant at that time.

It will be the responsibility of the CONTRACTOR'S on-duty staff member to notify the prison shift commander that the offender is to be listed as an escapee. The following information will be needed to list the escape:

- a. Name and Adult Offender (AO) number;
- b. How, when, and where the escape was discovered;
- c. Circumstance surrounding the escape (i.e., did not show up for work or school, etc.);
- d. Probable companions;
- e. Suspected destination and mode of transportation;
- f. Personal and clothing description; and
- g. Who has been notified.

Note: MSP (male) and MWP (female) is responsible for listing the escapee with the National Crime Information Center (NCIC), issuing the felony warrant and complaint and the All Points Bulletin (APB).

The CONTRACTOR'S on-duty staff member shall immediately send a written report of the escape to MSP (male) or MWP (female). The CONTRACTOR will cooperate fully with instructions from the DEPARTMENT and assist in returning the offender to appropriate custody.

The CONTRACTOR shall report any unlawful offender behavior to local law enforcement officials and the Department. Suspicious behavior will also be reported to the DEPARTMENT.

- H. Generally, offenders are not permitted to operate motor vehicles. Offenders who have specific need to operate a motor vehicle, as a function of their job, shall do so only with the permission of the DEPARTMENT, unless specifically permitted in the offender's furlough agreement or program contract. Offenders who drive motor vehicles without specific permission shall be reported to the DEPARTMENT. The Prerelease Unit Manager or P&P Officer II shall monitor these procedures and approve, in writing, any exceptions.
- I. The CONTRACTOR shall submit quarterly offender urinalysis (UA) screening reports to the Prerelease Unit Manager.

- J. MSP and MWP offenders, screened by the State Screening Committee for referral for placement at a prerelease center, may be placed in a prerelease center offender work position by the CONTRACTOR, when the Local Screening Committee believes the offender may require closer supervision than an offender participating in the regular prerelease program. The offender may remain in the work position until accepted into the established program, or may need the services of a prerelease center for longer than the traditional placement.

Offenders placed in an offender work position shall be provided room and board by the CONTRACTOR and will be exempt from the room and board charges that apply to regular program participants. Offender workers will be reimbursed at a minimum of \$6.00 and a maximum of \$10.00 per day for their work.

Details relative to their work position, compensation, length of assignment in the position, counseling services to be received and privileges will be discussed and agreed upon in writing by the CONTRACTOR and offender. These details will require review and approval by the appropriate Prerelease Unit Manager, before the offender is transferred to the prerelease center. All job assignments will be operated in accordance with Federal, State and local health and safety standards. A medical clearance check will be made prior to any work assignment. Offender workers restricted from heavy lifting will be restricted from jobs that may require that form of work. Offender workers with infectious diseases will not be assigned to work in food service except as in accordance with federal, state and local health and safety standards.

During the offender's placement in an offender work position, the CONTRACTOR shall charge the DEPARTMENT the daily per diem rate assessed regular program participants.

Offender workers shall be required to follow all prerelease center rules, regulations, and provisions of their offender work position agreement.

The CONTRACTOR may recommend DOC Direct Commitment offenders for offender work positions. The CONTRACTOR will submit a written request, with justification, to the Prerelease Unit Manager for review and approval/disapproval. If approved, the CONTRACTOR shall contact the appropriate P&P Administrator to arrange for transfer of the offender to the prerelease center. Upon arrival at the prerelease center, the CONTRACTOR shall notify the Prison Records Department.

- K. The CONTRACTOR will provide the following services to eligible offenders:

1. Room - Provision of a living facility which complies with Section 1 of this contract.
2. Board - Provision of at least the minimum daily adult level of caloric intake and nutritional levels as recommended by the U.S. Department of Agriculture. A nutritionist, dietician, or physician, will annually approve the nutritional value of the food served.

The CONTRACTOR shall establish procedures to inform offenders of the CONTRACTOR'S financial charges which are assessed. These include, but are not limited to, linen, resident handbook, and transportation fees.

- L. Supervision - At least one staff member of the Facility must be on the premises at all times so that supervised activity may be maintained which is sufficient to comply with Section □G□ contained herein.
- M. General Counseling - Guidance through therapeutic interaction between the counselor and one or more offenders. Individual or group counseling, sexual victimization therapy and treatment directed toward a need or problem, such as, health, education, family relationships, financial management, substance abuse, or interpersonal relationships. Counseling should be provided to the maximum extent needed by offenders as determined by the CONTRACTOR, and within the financial capability of the CONTRACTOR. At a minimum, each offender will be assigned a staff member who meets with, and advises, that offender. Counseling shall be available on an emergency basis.
- N. Job Counseling - Provision of guidance, instruction or information relating to obtaining and maintaining gainful employment commensurate with the offender's needs and abilities, including identification of job openings, arrangements for interviews, transportation, and personal instructions to employers. Assisting the offender in proper utilization of his/her financial resources shall also be provided.
- O. Offenders shall receive such medical, psychiatric, and dental treatment as may be necessary to safeguard their health and prevent pain and suffering. The cost of all such medical and dental treatment, however shall be the responsibility primarily of the offenders to the extent of their ability to pay and secondarily of the DEPARTMENT. Unless an emergency is involved, the CONTRACTOR shall request authority from the DEPARTMENTS Professional Services Division, Health Services Management Bureau before incurring, medical, psychiatric, or dental expenses for which the DEPARTMENT is responsible under the terms of this Contract. All such requests may be presented to the Medical Review Panel for approval/denial. The request shall be justified in writing by a professional who is qualified to make such recommendations. In an emergency, the CONTRACTOR may proceed with the necessary treatment without prior authority, but shall notify the DEPARTMENT immediately and furnish full information regarding the nature of the illness, the type of treatment to be provided and the estimated costs thereof.

All expenses relative to treatment of an offender's last illness, death, preparation and shipment of the body, and burial shall be the responsibility of the DEPARTMENT. If possible, the DEPARTMENT shall be notified in advance of the incurring of any such expense and its instructions shall be followed.

- P. The food service will be guided by the following:
 - 1. A written plan for the delivery of dietetic services and naming the person in charge of the food operation and the duties that may be delegated to others.
 - 2. Food shall be served in an appetizing and attractive manner, with realistically planned meal times and in a relaxed atmosphere.
 - 3. Food services shall be in compliance with all applicable federal, state, and local law regulations.

4. Provisions shall be made to accommodate residents who work irregular hours and are not available at regularly scheduled meals.
- Q. The CONTRACTOR shall maintain sufficient staff to deliver the services required by this Contract. There shall be a minimum of two (2) staff persons on the 10:00 p.m. to 6:00 a.m. work shift. There will be a minimum of one (1) staff person on facility premises 24 hours per day, who is readily available and responsible for offender needs. The DEPARTMENT shall refer qualified offenders to the CONTRACTOR in an amount sufficient to provide occupancy of 75 % of the available rated capacity of the CONTRACTOR'S Facility.
- R. Inmate status offenders are expected to move from residential to non-residential placement within a 12-24 month period of time. All cases in which an offender is not placed in non-residential programming after 24 months in residency must be justified in writing to the Prerelease Unit Manager.
- In compliance with 46-18-201(g) MCA - Sentences that may be imposed - probation offenders placed in the CONTRACTOR'S program by the court shall not be placed in the program for a period to exceed one year.
- S. The CONTRACTOR shall agree to provide information relative to program effectiveness and quality assurance as agreed upon by the DEPARTMENT and CONTRACTOR.
- T. The CONTRACTOR shall maintain a system through which offenders may present grievances concerning the operation of the program. This procedure does not apply to applicants who have not been accepted and have not signed a residency contract.
- U. The CONTRACTOR shall comply with ARM 20.7.201 Resident Reimbursement. Procedures for collecting and recording court ordered restitution, court ordered fines, and court ordered child support shall be developed by the CONTRACTOR and approved by the DEPARTMENT. The CONTRACTOR shall submit reimbursement collection data to the DEPARTMENT annually, by July 30th of each year.
- V. The CONTRACTOR shall provide offenders with non-interest bearing bank accounts managed by the CONTRACTOR for the offender.
- W. When the CONTRACTOR prepares program statistical reports/reviews, the CONTRACTOR will contact the DEPARTMENTS Program Evaluation and Statistics Bureau to coordinate research efforts.
- X. The CONTRACTOR will comply with DOC Policy 1.5.13, DNA Testing/Collection of Biological Samples by following the procedures outlined within the policy or utilizing a community resource to obtain DNA samples from designated offenders.

2. COMPENSATION

As compensation for the services provided, the DEPARTMENT shall pay the CONTRACTOR according to the following schedule:

- A. The CONTRACTOR shall, within ten (10) working days following the last day of each calendar month, submit a Department Vendor Invoice to the DEPARTMENT covering contractual services rendered during the preceding month. Unless such invoice is subjected to a special review or audit, the CONTRACTOR is entitled to payment, or written explanation of exception, within 30 days of receiving a correct invoice.
- B. Invoice amounts will be for up to 105 male offenders at a rate of \$39.66 per day in FY 2000 and \$40.06 per day in FY 2001. Invoice amounts will be for up to 17 female offenders at a rate of \$49.15 per day in FY 2000 and \$49.64 in FY 2001. These amounts include an offender transition fee of \$1.65, urinalysis screening funds in the amount of \$.74, and \$.60 for mental health and chemical dependency care. The amount of payment by the Department will not be less than this amount, and the payment of 75% of contracted bed space is guaranteed.

The CONTRACTOR shall not exceed the combined capacity level for the facility. However, capacity levels between male and female offenders may be adjusted within this combined capacity total to account for occasional population fluctuations. The maximum amount paid under this Contract for FY2000 is \$1,890,012.30 and for FY2001 is \$1,904,490.02. Should the CONTRACTOR bill the DEPARTMENT in excess of these amounts, the DEPARTMENT will not reimburse the CONTRACTOR. The CONTRACTOR agrees that, at a minimum, 8 beds will be available for female offenders. When the CONTRACTOR fills additional male beds, to compensate for deficits in the female ADP, the CONTRACTOR agrees to accept the per diem rate reimbursed for male offenders.

- C. The CONTRACTOR is authorized to collect and retain room and board charges in the amount of \$10.00 per day, or a maximum of 25% of net offender earnings or at the amount authorized by administrative rules. The CONTRACTOR has the discretion to forgive all charges, or any portion thereof, based on the CONTRACTOR'S assessment of the offender's ability to pay. The DEPARTMENT may, on a case-by-case basis, pay the CONTRACTOR \$10.00 per day for room and board fees of special needs offenders.
- D. The DEPARTMENT will purchase non-residential services from the CONTRACTOR. This includes the CONTRACTOR'S development and provision of necessary offender support and activities outlined in Policy No. DOC 4-7-10, Transitional Living Program for Adult Offenders. The DEPARTMENT will purchase non-residential services for a maximum of 10 offenders at a rate of \$16.41 per day in FY 2000 and a rate of \$16.74 per day in FY 2001. This includes \$.74 for urinalysis screenings. The CONTRACTOR is authorized to charge offenders \$0 - \$4.00 per day to participate in the Transitional Living Program.
- E. The DEPARTMENT has reimbursed the CONTRACTOR for services at FY99 Contracted rates. In order to facilitate retroactive payments according to the rates in this Contract, the CONTRACTOR must submit monthly bills for the balance of payments due from July 1999 through the date the DEPARTMENT begins paying at the FY2000 rate. The DEPARTMENT will make reimbursement to the CONTRACTOR within 30 days of receipt of valid vendor invoices.

- F. The Department may purchase services for level II and III (moderate and high risk) sex offenders. These offenders will reside at the CONTRACTOR'S Facility to obtain sex offender therapy treatment, employment, and housing, prior to being released into the community. The DEPARTMENT will pay an additional \$20.00 per offender, per day, for these services. The CONTRACTOR shall bill the DEPARTMENT of provision of these services on separate vendor invoices monthly.
- G. The CONTRACTOR shall bill the Department of Corrections, Community Corrections Division, Probation & Parole Bureau, a maximum of \$6.00 per UA screening of P&P offenders.
- H. The conditions of reimbursement outlined above are effective for Fiscal years 2000 and 2001. The CONTRACTOR retains the right to renegotiate for Fiscal Year 2002 with the guarantee that compensation by the DEPARTMENT will not be less than equal to compensation paid in Fiscal Year 2001, subject to availability of funding.
- I. Invoices are subject to audit and adjustment by the DEPARTMENT before and after payment is made.
- J. As part of the compensation referenced in this Section [2], and deducted monthly from the DEPARTMENT'S regular payments to the CONTRACTOR, beginning August 15, 2000 and annually thereafter, the DEPARTMENT shall pay, on behalf of the CONTRACTOR, to U.S. Bank Trust Montana, NA as Trustee (the "Trustee") of the Bonds under an Indenture of Trust dated as of November 1, 2000, (the "Indenture"), the following amounts:
1. the principal of and interest on the Bonds coming due in the following 12 months;
 2. the Program Expenses (as defined in the Indenture);
 3. any amounts necessary to make the Reserve Fund and the Supplemental Reserve Fund equal to the Reserve Requirement (as defined in the Indenture);
 4. any amounts due under a Capital Reserve Account Agreement between the MHFA and the Board of Investments (as defined in the Indenture); and
 5. any amounts necessary to be paid into the Rebate Fund (as defined in the Indenture); less any funds accumulated in the Bond Fund (as defined in the Indenture).
- K. The DEPARTMENT may withhold payments to the CONTRACTOR for failure to perform in accordance with the terms of this Contract. Prior to withholding payment the DEPARTMENT shall notify the CONTRACTOR of its failure to perform in writing. The notice shall specify acts or omissions constituting the default. If the CONTRACTOR fails to remedy the default within 90 days of receiving notice, the DEPARTMENT may withhold payments.

- L. The DEPARTMENT will purchase only those services provided to eligible offenders. The parties understand and agree that the eligibility of offenders to receive services purchased by the DEPARTMENT and furnished by the CONTRACTOR is determined by DEPARTMENT procedures and in accordance with the standards adopted by the Board of Directors of the CONTRACTOR. The CONTRACTOR may, for purposes of this Contract, rely on the DEPARTMENT'S written authorization that an individual is a qualified offender for whom the Contract is entitled to payment for services rendered.
- M. The CONTRACTOR shall notify the DEPARTMENT and the MHFA whenever the CONTRACTOR believes it is, or will be, unable to provide the required quality or quantity of services. Upon such notification, the DEPARTMENT, a representative of the MHFA and the CONTRACTOR shall meet to determine whether such inability requires modification of this Contract.
- Before any such modification of this Contract, the CONTRACTOR shall be given no less than 90 days to cure the reported defect in required quantity or quality of services described herein. The CONTRACTOR agrees to proceed promptly and with due diligence to cure any such defect. Compensation shall continue while the CONTRACTOR works to cure the defect.
- Should the parties disagree on the nature of the defect or the cure, the parties agree to promptly resolve the dispute by arbitration in the manner provided for in Section 17 of this Contract. Compensation, as provided in this section, shall continue while the dispute is arbitrated. MHFA, through its representatives, may participate in the arbitration.
- N. The DEPARTMENT agrees to review the cumulative Average Daily Population (ADP) with the CONTRACTOR on a semi-annual basis. If appropriate, the DEPARTMENT may consider redistributing unused funds between all prerelease center CONTRACTOR'S.

3. TIME OF PERFORMANCE

This CONTRACT is effective March 1, 2000 through February 28, 2010. On or about March 1, 2001, and every two years thereafter during the term hereof, the parties will meet to renegotiate the compensation described in section 2(B), and enter into a new Contract for a new 10 year term, or a term that is no longer than the term of the bonds, having substantially the same provisions contained herein. The parties agree to submit the proposed Contract to the Legislative Audit Committee as required by Section 56-1-203(2), MCA.

Every two (2) years the Department agrees to extend this contract for an entire ten (10) year period.

4. LIAISON

- A. Douglas E. Barnes, Prerelease Unit Manager, Community Corrections Division (444-4910) will be the liaison for the DEPARTMENT.
- B. David Armstrong, Administrator, Alternatives Inc, (259-9695) will be the liaison for the CONTRACTOR.
- C. All notices, requests, or complaints must first be directed to the liaison.

5. This Section Deleted in it's Entirety

6. WORKERS' COMPENSATION/INDEPENDENT CONTRACTOR'S EXEMPTION

The CONTRACTOR is required to maintain Workers' Compensation or an Independent Contractors Exemption covering the CONTRACTOR and/or employees while performing work for the State of Montana in accordance with Section 39-71-120/401/405, MCA. Neither the CONTRACTOR nor its employees are employees of the State. This insurance/exemption must be valid for the entire contract period.

7. INSURANCE REQUIREMENTS

PROFESSIONAL LIABILITY: The CONTRACTOR shall maintain for the duration of the contract, at its cost, professional liability insurance during the term of this Contract. Coverage shall be at a minimum of \$500,000 combined single limit per occurrence and \$1 million aggregate single limit per occurrence.

GENERAL LIABILITY: The CONTRACTOR shall maintain for the duration of the contract, at its cost, primary insurance coverage against claims for injuries to persons or damages to property including contractual liability which may arise from work performed under this contract. This insurance shall cover such claims as may be caused by any act, omission, or negligence of the CONTRACTOR or its officers, agents, representatives, assigns, or servants.

The CONTRACTOR must provide a certificate for Commercial General Liability and Commercial Automobile Liability (Occurrence Coverage), to include bodily injury, personal injury and property damage with combined single limits of \$1,000,000 per claim and \$2,000,000 aggregate per year, from an insurer with a Best's Rating of no less than A-.

This certificate MUST name the State of Montana as an additional insured under the CONTRACTOR'S policy including the CONTRACTOR'S general supervision, products, premises and automobiles used.

A Certificate of Insurance, indicating compliance with the required coverage's must be filed with the Department of Corrections, Prerelease Unit Manager, on or before July 1 of each contract period.

8. HOLD HARMLESS AND INDEMNIFICATION

The CONTRACTOR agrees that it is financially responsible (liable) for any audit exceptions or other financial loss to the DEPARTMENT which occurs due to the negligence, intentional acts, or failure for any reason, to comply with terms of this contract.

The CONTRACTOR agrees to protect, defend, and save the DEPARTMENT, its elected and appointed officials, agents and employees, while acting within the scope of their duties as such, harmless from and against all claims, demands, and causes of action of any kind or character, including the cost of defense thereof, arising in favor of CONTRACTOR or third parties on account of bodily or personal injuries; death, or damage to property arising out of services performed or omissions of services or in any way resulting from the acts or omissions of CONTRACTOR and/or its agents, employees, subcontractors, or representatives.

The DEPARTMENT agrees to protect, defend, and save CONTRACTOR, its directors, agents and employees, while acting within the scope of their duties as such, harmless from and against all claims, demands, and causes of action of any kind of character, including the cost of defense thereof, arising in favor of DEPARTMENT on account of bodily or personal injuries, death, or damage to property caused by the negligent or intentional acts of DEPARTMENT, its officials, agents, or employees, unless said officials, agents, or employees are acting under the direction or control of the CONTRACTOR.

9. ACCESS AND RETENTION OF RECORDS

- A. The CONTRACTOR agrees to provide the DEPARTMENT, the Legislative Auditor or their authorized agents access to any records concerning this Contract.
- B. The CONTRACTOR agrees to create and retain all records supporting the services rendered for a period of three years after either the completion of this Contract or rendered for a period of three years after either the completion of this Contract or the conclusion of any claim, litigation or exception relating to this Contract taken by the State of Montana or a third party.
- C. The CONTRACTOR agrees to maintain reasonable financial records required by this Contract. In case of financial review, the DEPARTMENT will make every effort to provide the CONTRACTOR with two weeks advance notice. The CONTRACTOR agrees that an independent financial audit, at its expense, shall be conducted annually and at the termination of this Contract and shall be made available to the DEPARTMENT.
- D. The CONTRACTOR agrees that a program and facilities review may be conducted at reasonable times by DEPARTMENT personnel or other duly authorized persons. The review may include facility inspection, meetings with offenders and staff, staffing ratios and job description reviews. The CONTRACTOR agrees to maintain program data as mutually agreed upon with the DEPARTMENT at the beginning of the fiscal year. The CONTRACTOR will produce program narrative and descriptive data in a form agreed upon between the CONTRACTOR and the DEPARTMENT. The CONTRACTOR shall be given reasonable time to produce program narrative and descriptive data. All records pertaining to treatment of offenders will be available to the DEPARTMENT or its authorized agents, but, shall remain the property of the CONTRACTOR.

10. ASSIGNMENT, TRANSFER AND SUBCONTRACTING

The CONTRACTOR shall not assign, sell, transfer, subcontract or sublet rights, or delegate responsibilities under this Contract, in whole or in part, without the prior written approval of the DEPARTMENT. No such written approval shall relieve the CONTRACTOR of any obligations of this Contract and any transferee or subcontractor shall be considered the agent of the CONTRACTOR. The CONTRACTOR shall remain liable as between the original parties to the Contract as if no such assignment had occurred.

All subcontracts directly affecting offenders supervised by the CONTRACTOR, shall be submitted to the Prerelease Unit Manager for review and approval. Upon review by the DEPARTMENT, the Prerelease Unit Manager shall forward the subcontract to the CONTRACTOR. Should the subcontract not be approved by the DEPARTMENT, revision recommendations will be submitted, in writing, to the CONTRACTOR.

11. COMPLIANCE WITH LAWS

The CONTRACTOR must comply with all applicable federal and state law including, but not limited to the prevailing wage laws, the Montana Human Rights Act, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973.

12. MONTANA PRODUCT PREFERENCE

The CONTRACTOR agrees to provide Montana made goods where those goods are comparable in price and quality to those required by this contract, pursuant to 18-1-112(1), MCA.

13. TERMINATION AND DEFAULT

- A. The DEPARTMENT, at its sole discretion, may terminate this CONTRACT if available funding is reduced.
- B. The DEPARTMENT agrees to notify the MHFA and Trustee, within 15 days, if for any reason the DEPARTMENT does not seek funding for the Program through the executive budget process.
- C. Failure on the part of either party to perform the provisions of this Contract constitutes default. Default may result in pursuit of a remedy for breach of contract including, but not limited to, monetary damages or specific performance.

14. VENUE

This Contract is governed by the laws of Montana. The parties agree that any mediation, arbitration, or litigation concerning this CONTRACT must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana.

15. NON-DISCRIMINATION

All parties of this Contract agree that all hiring must be done on the basis of merit and qualifications and there may be no discrimination on the basis of race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin by the person or persons performing the Contract.

16. LICENSURE

The CONTRACTOR agrees to provide copies of current licenses and certifications which register the CONTRACTOR and/or any associates providing services for the CONTRACTOR as a result of this contract.

17. ARBITRATION

Any claim arising out of, or related to, this Contract shall be settled by binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association. Judgment on the award rendered by the Arbitrator may be entered in any court having jurisdiction thereof.

18. LIMITS OF AGREEMENT

This Contract contains the entire agreement between the parties and no statement, promises or inducements made by either party or agents thereof which are not contained in the written Contract shall be binding or valid. This Contract shall not be enlarged, modified or altered except upon written agreement signed by all parties to the Contract.

19. RENEGOTIATION

With the exception of the payment on the Bonds referenced in Section 2(I), the amount of payment referenced in Section 2 is designed to cover the CONTRACTOR'S fixed costs for the population levels indicated. If the population indicated in Section 2 cannot be maintained due to: (1) the inability to use a portion of the building, or (2) the inability of the DEPARTMENT to provide sufficient offenders who, in the opinion of the DEPARTMENT, are appropriate for community corrections facility placement, both the rate of payment referenced in Section 2 and the number of contracted beds may be renegotiated by mutual agreement. However, the changes in population shall not effect the payments under Section 2, which are not subject to renegotiations.

The DEPARTMENT agrees to consider requests for rate increases for the purpose of providing debt service coverage as required by Section 9.4 of the Loan Agreement between MHFA and the CONTRACTOR dated November 1, 1997. If the DEPARTMENT denies the request for a rate increase for the purpose of meeting debt service coverage requirements the DEPARTMENT shall notify the Trustee within 30 days of the denial.

20. APPROVAL OF CONTRACT BY MHFA

Pursuant to Section 90-7-226, Montana Code Annotated, MHFA is required to approve this Contract if MHFA is involved in the financing of the prerelease center project. Other than as required by the above-referenced statute, the MHFA does not assume any responsibility or liability under this Contract.

21. COMPLETED CONTRACT

The DEPARTMENT cannot disburse any payments under this Contract until a fully executed original Contract is returned to the Department of Corrections, Contracts Management Bureau, 1539 11th Avenue, Helena, Montana 59620-1301.

SIGNATURES

DEPARTMENT

Mike Ferriter, Administrator
Community Corrections Division

Date

Approved for Legal Content by:

Legal Counsel
Department of Corrections

Date

Approved for the Montana Health Facility Authority by:

Its Associate Director

Date

CONTRACTOR

David Armstrong, Administrator
Alternatives Inc.

Date

No Amendment # 1

CONTRACT AMENDMENT
CONTRACT #CCD-01-005-10-PRC-revised

THIS CONTRACT AMENDMENT (**Amendment #2**) is made and entered into by and between the State of Montana, Department of Corrections (DEPARTMENT) 1539 11th Ave., Helena, Montana 59620-1301 and **Alternatives Inc.** (CONTRACTOR) and is effective upon receipt of all signatures.

WHEREAS, the parties have entered a Contract with an original effective date of July 1, 2000 and Section 18 provides that the parties may modify their agreement in writing;

NOW THEREFORE, the parties agree as follows:

Section 2 – COMPENSATION, is amended to read (new language underlined, old language interlined):

- B. Invoice amounts will be for up to ~~105~~ one hundred eleven (111) male offenders at a rate of ~~\$39.66~~ \$39.86 per day in FY ~~2000~~ 2002 and ~~\$40.06~~ \$40.66 per day in FY ~~2001~~ 2003. Invoice amounts will be for up to ~~17~~ nineteen (19) female offenders at a rate of ~~\$49.15~~ \$49.63 per day in FY ~~2000~~ 2002 and ~~\$49.64~~ \$50.63 in FY ~~2001~~ 2003. These amounts include an offender transition fee of \$1.65, urinalysis screening funds in the amount of \$.74, and \$.60 for mental health and chemical dependency care. The amount of payment by the Department will not be less than this amount, and the payment of 75% of contracted bed space is guaranteed.

~~The CONTRACTOR shall not exceed the combined capacity level for the facility. However, Capacity levels between male and female offenders may be adjusted within this combined capacity total to account for occasional population fluctuations. The maximum amount paid under this Contract for FY 2000 2002 is \$1,890,012.30 \$2,021,503.01 and for FY 2001 2003 is \$1,904,490.02 \$2,061,933.07. Should the CONTRACTOR bill the DEPARTMENT in excess of these amounts, the DEPARTMENT will not reimburse the CONTRACTOR. The CONTRACTOR agrees that, at a minimum, eight (8) beds will be available for female offenders. When the CONTRACTOR fills additional male beds, to compensate for deficits in the female ADP, the CONTRACTOR agrees to accept the per diem rate reimbursed for male offenders.~~

- C. The CONTRACTOR is authorized to collect and retain room and board charges ~~in the amount of \$10.00 per day, or a maximum of 25% of net offender earnings or~~ at the amount authorized by administrative rules. When the CONTRACTOR adjusts offender room and board fees, the DEPARTMENT shall be notified 90 days in advance of the adjustment. The CONTRACTOR has the discretion to forgive all charges, or any portion thereof, based on the CONTRACTORS assessment of the offender's ability to pay. The DEPARTMENT may, on a case by case basis, pay the CONTRACTOR ~~\$10.00 per day~~ for room and board fees of special needs offenders.

D. The DEPARTMENT will purchase non-residential services from the CONTRACTOR. This includes the CONTRACTORS development and provision of necessary offender support and activities outlined in Policy No. DOC 4-7-10, Transitional Living Program for Adult Offenders. The DEPARTMENT will purchase non-residential services for a maximum of 10 offenders at a rate of ~~\$16.41~~ \$17.07 per day in FY ~~2000~~ 2002 and a rate of ~~\$16.74~~ \$17.42 per day in FY ~~2001~~ 2003. This includes \$.74 for urinalysis screenings. The CONTRACTOR is authorized to charge offenders \$0 - \$4.00 per day to participate in the Transitional Living Program.

E. ~~The DEPARTMENT has reimbursed the CONTRACTOR for services at FY 1999 Contracted rates. In order to facilitate retroactive payments according to the rates in this Contract, the CONTRACTOR must submit monthly bills for the balance of payments due from July 1999 through the date the DEPARTMENT begins paying at the FY 2000 rates. The DEPARTMENT will make reimbursement to the CONTRACTOR within 30 days of receipt of valid vendor invoices.~~

F. ~~The Department may purchase services for level II and III (moderate and high risk) sex offenders. These offenders will reside at the CONTRACTORS Facility for 30 to 60 days in order to obtain sex offender therapy treatment, employment, and housing, prior to being released into the community. The DEPARTMENT will pay an additional \$20.00 per offender, per day, for these services. The CONTRACTOR shall bill the DEPARTMENT for provision of these services on separate Vendor Invoice monthly.~~

H. ~~The conditions of reimbursement outlined above are effective for Fiscal Years 2000 2002 and 2001 2003. The CONTRACTOR retains the right to renegotiate for Fiscal Year 2002 2004 with the guarantee that compensation by the DEPARTMENT will not be less than or equal to compensation paid in Ffiscal Yyear 2001 2003, subject to availability of funds.~~

Section 3 – TIME OF PERFORMANCE, is amended to read (new language underlined, old language interlined):

~~This CONTRACT Contract is effective shall take effect March July 1, 2000 2001 and be effective for a term of ten years through February 28, 2010. On or about March 1, 2001 2003, and every two years thereafter during the term hereof, the parties will meet to renegotiate the compensation described in Ssection 2(B), and enter into a new Contract for a new 10 year term, or a term that is no longer than the term of the bonds, having substantially the same provisions contained herein. The parties agree to submit the proposed Contract to the Legislative Audit Committee as required by Section 56-1-203(2), MCA.~~

Every two (2) years the Department agrees to extend this Contract for an entire ten (10) year period.

This constitutes the Amendment to the Contract. All other provisions contained in the original Contract, as amended, shall remain unchanged.

DEPARTMENT

Mike Ferriter, Administrator
Adult Community Corrections Division

Date

CONTRACTOR

Dave Armstrong, Director
Alternatives Inc.

Date

Reviewed for Legal Content by:

Legal Counsel
Department of Corrections

Date

CONTRACT AMENDMENT
CONTRACT #CCD-01-005-10 PRC-revised

THIS CONTRACT AMENDMENT (**Amendment #3**) is made and entered into by and between the Montana Department of Corrections (DEPARTMENT) 1539 11th Avenue, Helena MT 59620-1301 and **Alternatives, Inc. (CONTRACTOR)** and is effective upon receipt of all signatures.

WHEREAS, the parties have entered a Contract with an original effective date of March 1, 2000 and Section 18 provides that the parties may modify their agreement in writing:

NOW THEREFORE, the parties agree as follows:

Section 2 – COMPENSATION, is amended to read (new language underlined, old language interlined):

- D. The DEPARTMENT will purchase non-residential services from the CONTRACTOR. This includes the CONTRACTORS development and provision of necessary offender support and activities outlined in Policy No. DOC 4-7-10, Transitional Living Program for Adult Offenders. The DEPARTMENT will purchase non-residential services for a maximum of ~~40~~ 15 offenders at a rate of \$17.07 per day in FY 2002 and a rate of \$17.42 per day in FY 2003. This includes \$.74 for urinalysis screenings. The CONTRACTOR is authorized to charge offenders \$0-\$4.00 per day to participate in the Transitional Living Program.

This constitutes the Amendment to the Contract. All other provisions contained on the original Contract, as amended, shall remain unchanged.

DEPARTMENT

Mike Ferriter, Administrator
Adult Community Corrections Division

Date

CONTRACTOR

David Armstrong, Director
Alternatives, Inc.

Date

Reviewed for Legal Content by:

Colleen White, Legal Counsel
Department of Corrections

Date

CONTRACT AMENDMENT
CONTRACT #CCD-01-005-10-PRC-revised

THIS CONTRACT AMENDMENT (**Amendment #4**) is made and entered into by and between the Montana Department of Corrections (DEPARTMENT) 1539 11th Avenue, Helena MT 59620-1301 and **Alternatives, Inc. (CONTRACTOR)** 3109 First Avenue North, Billings, Montana 59103-0657 and is effective upon receipt of all signatures.

WHEREAS, the parties have entered a Contract with an original effective date of March 1, 2000 and Section 18 provides that the parties may modify their agreement in writing.

NOW THEREFORE, the parties agree as follows:

Section 2 – COMPENSATION is amended to read (new language underlined):

- O. Effective October 1, 2002, Aftercare services provided to female BOOTERS during Fiscal Year 2003 will be compensated at the rate of \$55.06 per day. This rate includes an offender transition fee of \$.66, urinalysis screening funds of \$.74, and \$.60 for mental health and chemical dependency services.

This constitutes the Amendment to the Contract. All other provisions contained in the original Contract, as amended, shall remain unchanged.

DEPARTMENT

Mike Ferriter, Administrator
Adult Community Corrections Division

Date

CONTRACTOR

David Armstrong, Director
Alternatives, Inc.

Date

Reviewed for Legal Content by:

Legal Counsel
Department of Corrections

Date

CONTRACT AMENDMENT CONTRACT #CCD-01-005-10-PRC-revised

THIS CONTRACT AMENDMENT (**Amendment #5**) is made and entered into by and between the Montana Department of Corrections (DEPARTMENT) 1539 11th Ave., Helena, Montana 59620-1301 and **Alternatives, Inc.** (CONTRACTOR) and is effective upon receipt of all signatures.

WHEREAS, the parties have entered a Contract with an original effective date of July 1, 2000 and Section 18 provides that the parties may modify their agreement in writing.

NOW THEREFORE, the parties agree to amend the Contract as follows (**new language underlined, old language interlined**):

1. DUTIES/RESPONSIBILITIES OF THE CONTRACTOR

- R. Inmate status offenders are expected to move from residential to non-residential placement within a ~~12~~ 6-24 month period of time. All cases in which an offender is not placed in non-residential programming after 24 months in residency must be justified in writing to the Prerelease Unit Manager.

In compliance with 46-18-201 ((g) MCA - Sentences that may be imposed - probation offenders placed in the CONTRACTOR'S program by the court shall not be placed in the program for a period to exceed one year.

2. COMPENSATION

- B. Invoice amounts will be for up to one hundred ~~eleven~~ seventeen (11117) male offenders at a rate of ~~\$39.86~~ \$41.47 per day in FY ~~2002~~ 2004 and ~~\$40.66~~ per day in FY ~~2003~~ 2005. Six (6) of the male beds shall be utilized for offenders from secure custody facilities. Invoice amounts will be for up to nineteen (19) female offenders at a rate of ~~\$49.63~~ \$51.44 per day in FY ~~2002~~ 2004 and ~~\$50.63~~ in FY ~~2003~~ 2005. These amounts include an offender transition fee of \$1.65, urinalysis screening funds in the amount of \$.74, and \$.60 for mental health and chemical dependency care. The amount of payment by the Department will not be less than this amount, and the payment of 75% of contracted bed space is guaranteed.

Capacity levels between male and female offenders may be adjusted to account for occasional population fluctuations. The maximum amount paid under this Contract for FY ~~2002~~ 2004 is ~~\$2,021,503.01~~ \$2,229,178.00 and for FY ~~2003~~ 2005 is ~~\$2,061,933.07~~ \$2,223,087.00. Should the CONTRACTOR bill the DEPARTMENT in excess of these amounts, the DEPARTMENT will not reimburse the CONTRACTOR. The CONTRACTOR agrees that, at a minimum, eight (8) beds will be available for female offenders. When the CONTRACTOR fills additional male beds, to compensate for deficits in the female ADP, the CONTRACTOR agrees to accept the per diem rate reimbursed for male offenders.

- H. The conditions of reimbursement outlined above are effective for Fiscal Years ~~2002~~ 2004 and ~~2003~~ 2005. The CONTRACTOR retains the right to renegotiate for Fiscal Year ~~2004~~ 2006 with the guarantee that compensation by the DEPARTMENT will not be less than compensation paid in Fiscal Year ~~2003~~ 2005, subject to availability of funds.

This constitutes the Amendment to the Contract. All other provisions contained in the original Contract, as amended, shall remain unchanged.

DEPARTMENT

Mike Ferriter, Administrator
Adult Community Corrections Division

Date

CONTRACTOR

David Armstrong, Director
Alternatives, Inc.

Date

Reviewed for Legal Content by:

Legal Counsel
Department of Corrections

Date

CONTRACT AMENDMENT CONTRACT #CCD-01-005-10-PRC-revised

THIS CONTRACT AMENDMENT (**Amendment #6**) is made and entered into by and between the Montana Department of Corrections (DEPARTMENT) 1539 11th Avenue, Helena MT 59620-1301 and **Alternatives, Inc.** (CONTRACTOR) 3109 First Avenue North, Billings MT 59103-0657 and is effective upon receipt of all signatures.

WHEREAS, the parties have entered a Contract with an original effective date of July 1, 2000 and Section 18 provides that the parties may modify their agreement in writing.

NOW THEREFORE, the parties agree to amend the Contract as follows (**new language underlined, old language interlined**):

1. DUTIES/RESPONSIBILITIES OF THE CONTRACTOR

R. ~~Inmate status offenders are expected to move from residential to non-residential placement within a 6-24 month period of time. All cases in which an offender is not placed in non-residential programming after 24 months in residency must be justified in writing to the Prerelease Unit Manager.~~

~~In compliance with 46-18-201 ((g)) MCA - Sentences that may be imposed - probation offenders placed in the CONTRACTOR'S program by the court shall not be placed in the program for a period to exceed one year.~~

Offenders **shall not** reside in a prerelease center or a transitional living program for more than six (6) months, without prior written approval from the Contracts Program Manager, and **shall not** reside in a prerelease center for more than twenty-four (24) months.

2. COMPENSATION

B. Invoice amounts will be for up to ~~one hundred seventeen (117)~~ one hundred thirty-two (132) male offenders at a rate of \$41.47 per day in FY 2004 and FY 2005. Six (6) of the male beds shall be utilized for offenders from secure custody facilities. Invoice amounts will be for up to nineteen (19) female offenders at a rate of \$51.44 per day in FY 2004 and FY 2005. These amounts include an offender transition fee of \$1.65, urinalysis screening funds in the amount of \$.74, and \$.60 for mental health and chemical dependency care. The amount of payment by the Department will not be less than this amount, and the payment of 75% of contracted bed space is guaranteed.

Capacity levels between male and female offenders may be adjusted to account for occasional population fluctuations. The maximum amount paid under this Contract for FY 2004 is ~~\$2,229,178.00~~ \$2,235,498.88 and for FY 2005 is ~~\$2,223,087.00~~ \$2,450,136.00. Should the CONTRACTOR bill the DEPARTMENT in excess of these amounts, the DEPARTMENT will not reimburse the CONTRACTOR. The CONTRACTOR agrees that, at a minimum, eight (8) beds will be available for female offenders. When the CONTRACTOR fills additional male beds, to compensate for

deficits in the female ADP, the CONTRACTOR agrees to accept the per diem rate reimbursed for male offenders.

3. TIME OF PERFORMANCE

This Contract shall take effect July 1, 2001 and be effective for a term of ten years. On or about March 1, 2003, and every two years thereafter during the term hereof, the parties will meet to renegotiate the compensation described in Section 2 and ~~enter into a new Contract for a new~~ to negotiate to extend this Contract for another 10 year term, or a term that is no longer than the term of the bonds, having substantially the same provisions contained herein. The parties agree to submit the proposed Contract to the Legislative Audit Committee as required by Section 56-1-203(2), MCA.

Every two (2) years the Department agrees to ~~extend this Contract for an entire~~ negotiate to extend this Contract for another ten (10) years ~~period~~.

4. LIAISON

A. ~~Douglas E. Barnes, Prerelease Unit Manager~~ Michelle Jenicek, Contracts Program Manager, Adult Community Corrections Division, Adult Community Corrections Division (444-4910) will be the liaison for DEPARTMENT.

This constitutes the Amendment to the Contract. All other provisions contained in the original Contract, as amended, shall remain unchanged.

DEPARTMENT

Mike Ferriter, Administrator
Adult Community Corrections Division

Date

CONTRACTOR

David Armstrong, Director
Alternatives, Inc.

Date

Reviewed for Legal Content by:

Legal Counsel
Department of Corrections

Date